



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

August 20, 2007

S. 595

Toxic Right-to-Know Protection Act

*As ordered reported by the Senate Committee on Environment and Public Works
on July 31, 2007*

S. 595 would repeal the Environmental Protection Agency's (EPA's) authority to determine how often owners or operators of chemical facilities must submit certain information regarding the manufacture or use of toxic chemicals. This legislation also would require EPA to establish eligibility thresholds for using form-A certification (a less-detailed form used by owners and operators of chemical facilities to report on chemical releases and waste management under the Toxics Release Inventory Program) at not greater than 500 pounds for nonpersistent bioaccumulative and toxic chemicals. (Currently, form-A certification is allowed even if more than 500 pounds of a chemical is released.) Finally, this legislation would prohibit the use of this less-detailed statement for any chemical identified by EPA as a chemical of special concern.

Based on information from EPA, CBO estimates that enacting S. 595 would have no significant effect on the federal budget. CBO estimates that proposed changes in reporting requirements would not substantively change EPA's oversight of toxic chemical releases and would not significantly affect the agency's costs. Enacting this legislation would not affect direct spending or revenues.

S. 595 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because it would reduce the threshold for reporting chemical releases under the Emergency Planning and Community Right-to-Know Act of 1986. That change would increase the administrative burden for state and local entities required to file such reports with EPA. Based on information from EPA, the industrywide cost of the new requirements are estimated to be less than \$10 million annually. Because state and local entities represent only a small portion of those costs, CBO estimates that the additional costs would not be significant and would not exceed the threshold established in UMRA (\$66 million for intergovernmental mandates in 2007, adjusted annually for inflation).

S. 595 would impose a private-sector mandate as defined in UMRA by increasing the administrative requirements for certain facilities that report data on chemical releases to EPA. Under the bill, those facilities would be required to report chemical releases using a longer, more-detailed form. Based on information from EPA, CBO estimates that the incremental cost to the industry to comply with the mandate would be less than \$10 million annually. Therefore, the cost of the mandate would fall well below the annual threshold established by UMRA for private-sector mandates (\$131 million in 2007, adjusted annually for inflation).

The CBO staff contacts for this estimate are Susanne S. Mehlman (for federal costs), Neil Hood (for the state and local impact), and Amy Petz (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.